

C/015/025 Incoming ✓
OK
J. E. STOVER & ASSOCIATES, INC.

2352 NORTH 7th SREET, UNIT B
GRAND JUNCTION, COLORADO 81501
PHONE: (970) 245-4101, FAX 242-7908

JS
MINE ENGINEERING
MINE RECLAMATION

CIVIL ENGINEERING
CONST. MANAGEMENT

December 3, 2010

Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Castle Valley Mining LLC
Application to Transfer Permit
Permit No. C/015/025
Reclamation Agreement

Dear People:

On behalf of Castle Valley Mining LLC, enclosed is a reclamation agreement for the referenced permit.

Please call with any questions.

Sincerely,



J. E. Stover, P.E.

Consulting Engineer

RECEIVED

DEC 06 2010

DIV. OF OIL, GAS & MINING

**State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340**

(Federal)

Contents:

Reclamation Agreement

Exhibit "A"
Bonded Area

Exhibit "B"
Bonding Agreement
Surety Bond

Exhibit "C"
Liability Insurance

Affidavit of Qualification

RECEIVED

DEC 06 2010

DIV. OF OIL, GAS & MINING

Permit Number: C/015/0025
Date Original Permit Issued: November 1, 1985
Effective Date of Agreement: December 2, 2010
Bond Number:

RECLAMATION AGREEMENT

This **RECLAMATION AGREEMENT** (hereafter referred to as "Agreement") is entered into by Castle Valley Mining LLC (hereafter referred to as the "Permittee") and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (hereafter referred to as the "Division").

For the purpose of the **AGREEMENT** the information provided below, shall constitute forms of definition or are for information regarding the Permittee or its operations.

"ACT": Title 40-10-1, et. seq., Utah Code Annotated (1953, as amended)

"BOND": A bond in compliance with Utah Administrative Rule 645-301-800, et. seq.

"BOND AMOUNT": \$1,830,000

"BONDED AREA": The area covered by the Performance Bond as provided at R645-301-820.110 of the Utah Administrative Code and any additional areas of subsidence related material damage as identified and required by R645-301-525.550 of the Utah Administrative Code.

"BOND TYPE": Surety Bond

Bonding Company: Continental Casualty Company
Address: 333 S Wabash Avenue, Chicago, IL 60604-4107
Telephone Number: (312)822-5000, Toll Free (877)262-2727

"COMPANY OFFICERS":

Mark Zand	Chairman
David Zatezalo	Chief Executive Officer
Chad Hunt	President
Richard Boone	Senior Vice President & Chief Financial Officer
Christopher N. Moravec	Senior Vice President, Business Development
Joseph Miller	Vice President & Asst. Secretary
Elizabeth Branham	Vice President, Controller, Assistant Secretary
Andrew Cox	Vice President Sales
Arthur Amron	Vice President and Assistant Secretary
Jay Maymudes	Vice President, Secretary and Treasurer
Paul Jacobi	Vice President
Gary Isaac	Vice President and Assistant Secretary
Corey Heaps	Vice President

"COOPERATIVE AGREEMENT": That certain agreement codified at 30 C. F. R. 944.30

"DISTURBED AREA": This term is defined in Utah Administrative Code R645-100-200. The Permittee and the Division contemplate that the Disturbed Area will be as approved and shown in the Permit Application Package, but the Permittee's reclamation obligation and the bond related thereto are governed by applicable law.

"LIABILITY INSURANCE": Public liability insurance policy submitted as part of the permit application and attached as Exhibit "C".

Insurance Company: Aon Risk Insurance Services West, Inc.
Address: 5260 North Palm Avenue, Suite 400, Fresno, CO 93704, USA
Telephone Number: 559-449-7200
Policy Number: GL0936045
Expiration Date: June 1, 2012

Bond Number _ _ _

"MINE": Castle Valley Mines

"OSM": United States Department of the Interior,
Office of Surface Mining Reclamation and Enforcement.

"PERMIT": Utah Mining and Reclamation Permit No. C/015/025

"PERMITTEE":

Principal Address: 2352 North 7th Street Unit B, Grand Junction, CO 81501
Utah Address: 5550 W Bear Canyon Rd., Huntington, UT 84528
Telephone Numbers: Mine Site 435-687-5454, GJ Office (970) 245-2987

"PERMITTEE'S UTAH REGISTERED AGENT FOR SERVICE OF PROCESS":

Tony Welch
5550 W Bear Canyon Rd.
Huntington, UT 84528

"REGULATIONS": The regulations promulgated by the Division and OSM pertaining to coal mining and reclamation activities.

"SMCRA": The Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. §§ 1201, et. seq.

"SURETY": Continental Casualty Company

The following Exhibits are incorporated within and made a part of this Agreement.

EXHIBITS:

"BONDED AREA"

Exhibit "A"

"BONDING AGREEMENT"

Exhibit "B"

"LIABILITY INSURANCE"

Exhibit "C"

WHEREAS, the Permittee is ready and willing to file the Bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws under the permit; and

NOW, THEREFORE, the Division and the Permittee agree as follows:

1. The provisions of SMCRA, the Act and the Regulations are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Regulations and Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of this Agreement, the Permit (which is based upon the approved Permit Application Package), the Act and the Regulations, including the reclamation of all areas disturbed by surface coal mining and reclamation operations, despite the eventuality that the costs of actual reclamation exceeds the Bond Amount.
3. The Permit Application Package includes a legal description of the Bonded Area, including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the Permit period. For convenience, a copy of the description of the Bonded Area is attached as Exhibit "A", and is incorporated by reference.
4. The Permittee agrees to provide a Bond to the Division in the form and amount acceptable to the Division ensuring the timely performance of the reclamation obligations in the manner and by the standards set forth in this Agreement, the Permit, (which is based upon the Permit Application Package), the Act and the Regulations. The Bond is attached as Exhibit "B" and is incorporated by reference.
5. The Permittee agrees to maintain in full force and effect the Liability Insurance policy submitted as part of the Permit application and which is described in the attached Exhibit "C". The Division shall be listed as an additional insured on this policy.
6. In the event that the Disturbed Area is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the Bond as appropriate in accordance with applicable law. In the event of material damage to the surface lands, or contamination, diminution, or interruption of a protected water supply caused by subsidence from underground coal mining, the Permittee may be required by the Division to increase the bond amount pursuant to the provisions of R645-301-525.550 of the Utah Administrative Code.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division, and their respective employees and agents, from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's agents or employees failure to abide by the terms and conditions of the

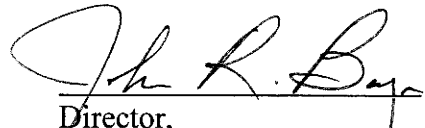
approved Permit (which is based upon the approved Permit Application Package), and this Agreement. In the event the Cooperative Agreement is terminated, this paragraph will inure to the benefit of OSM with respect to Federal Lands, and otherwise to the benefit of the Division.

8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Disturbed Area in accordance with this Agreement, the approved Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve a written modification to this Agreement in accordance with applicable law.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the new Bond form meets the requirements of the Act, and the Regulations, but no Bond shall be released until the Division has approved and accepted the replacement Bond.
10. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this Agreement.
11. Any breach of the provisions of this Agreement, the Act, the Regulations, or the Permit (which is based upon the approved Permit Application Package) may, at the discretion of the Division, result in enforcement actions by the Division which include, but are not limited to, an order to cease coal mining and reclamation operations, revocation of the Permittee's Permit and forfeiture of the Bond.
12. In the event of forfeiture of the Bond, the Permittee agrees to be liable for additional costs in excess of the Bond Amount which may be incurred by the Division in order to comply with the Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Any excess monies resulting from the forfeiture of the Bond, upon compliance with this Agreement, shall be refunded as directed by the Permittee or, if a dispute arises, as directed by a court of competent jurisdiction by interpleading the funds subject to the dispute.
13. No delay on the part of the Division in exercising any right, power, or privilege, under the Permit, the Bonding Agreement (Exhibit "B") and/or this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege thereof preclude other or further exercise of any right, power or privilege. The provisions of this Agreement are severable, and if any provision of this Agreement, or the application of any provision of this Agreement, to any circumstances is held invalid, the application of such provision to other circumstances, and the remainder of this Agreement, shall not be affected thereby.

14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached thereto.

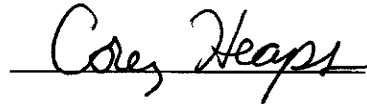
SO AGREED this 14th day of December, 20 10.

STATE OF UTAH:


Director,
Division of Oil, Gas and Mining

PERMITTEE:

Castle Valley Mining LLC



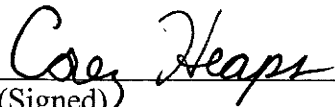
By: Corey Heaps

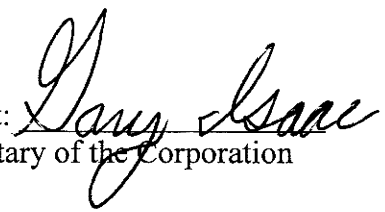
Title: Vice President

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVIT OF QUALIFICATION
PERMITTEE
Castle Valley Mining LLC**

I, Corey Heaps, being first duly sworn under oath, deposes and says that I am a Vice President of Castle Valley Mining LLC; and I am duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.


(Signed)
Corey Heaps, Vice President

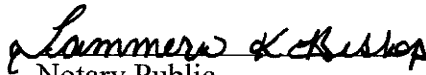
Attest: 
Secretary of the Corporation

STATE OF COLORADO)

) ss:

COUNTY OF MESA)

Subscribed and sworn to before me this 3RD day of DECEMBER, 2010.


Notary Public

My Commission Expires:

1/22, 2011.

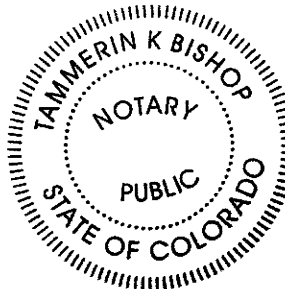


EXHIBIT “A”

Bonded Area Legal Description

(Federal Coal)

Exhibit "A"
Legal Description
Federal
Bond Number _____

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

Plate 1-1

Legal description of BONDED AREA:

Permit Area

Sec. 1: Lots 1 and 2, S1/2 NE1/4, SE1/4;
Sec. 10: N1/2, N1/2 S1/2, SE1/4 SW1/4, S1/2 SE1/4;
Sec. 11: All;
Sec. 12: All;
Sec. 13: All;
Sec. 14: NE1/4, E1/2 NW1/4, S1/2;
Sec. 23: E1/2, E1/2 W1/2;
Sec. 24: All;
Sec. 25: All;
Sec. 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4, NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1 of the Bear Canyon Mining and Reclamation Plan;

Township 16 South, Range 8 East, SLBM

Sec. 6: Lots 11-14, E1/2 SW1/4, W1/2 SE1/4, SE1/4 SE1/4;
Sec. 7: All;
Sec. 8: NW1/4, W1/2 E1/2, N1/2 SW1/4, SE1/4 SW1/4, SW1/4 SW1/4;
Sec. 16: All;
Sec. 17: All;
Sec. 18: All;
Sec. 19: S1/2 NW1/4, SW1/4, SW1/4 SE1/4, N1/2 SE1/4, S1/2 NE1/4, Lot 1, NE1/4 NW1/4, N1/2 NE1/4;
Sec. 20: S1/2 NW1/4, N1/2 SW1/4, N1/2 NW1/4, NE1/4, NE1/4 SE1/4;
Sec. 21: E1/2 NW1/4, NE1/4, N1/2 SE1/4, W1/2 NW1/4, N1/2 SW1/4, SE1/4 SW1/4, S1/2 SE1/4;
Sec. 30: W1/2, W1/2 NE1/4, NW1/4 SE1/4; and
Sec. 31: NE1/4 NW1/4, NW1/4 NE1/4;

Exhibit "A"
Legal Description
Federal
Bond Number _____

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

____ 11th ____ day of ____ November ____, 20 ____ 10 ____.

Continental Casualty Company

SURETY



By:

Edward C. Spector, Attorney In Fact

Title:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

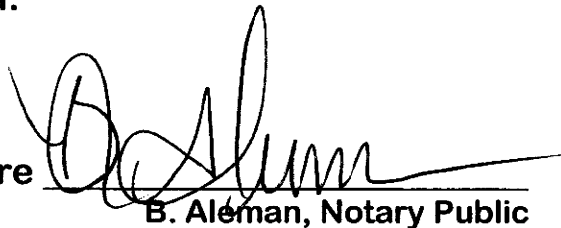
On 11/11/10 before me, B. Aleman, Notary Public, personally appeared Edward C. Spector who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

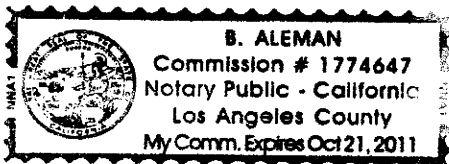
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature

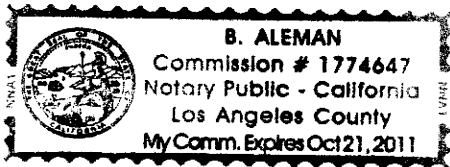

B. Aleman, Notary Public



Bond Number _____

**AFFIDAVIT OF QUALIFICATION
SURETY COMPANY
C/015/025**

I, B. Aleman, being first duly sworn under oath, deposes and says that he/she is the ~~(officer or agent)~~ Edward C. Spector, Attorney in Fact of Continental Casualty Company; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.




(Signed) B. Aleman, Notary Public
Surety Company Officer - Position

Attest: See attached California All Purpose Acknowledgment

STATE OF _____)
) ss:
COUNTY OF _____)

Subscribed and sworn to before me this ____ day of _____, 20____.

Notary Public

My Commission Expires:

_____, 20____.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

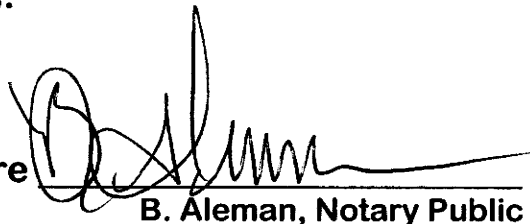
On 11/11/10 before me, B. Aleman, Notary Public, personally appeared Edward C. Spector who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

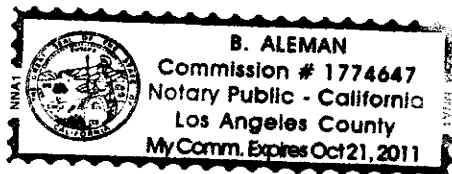
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature


B. Aleman, Notary Public



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Maria Pena, Edward C Spector, Lisa L Thornton, Tracy Aston, C K Nakamura, E S Albrecht, Jr, Tom Branigan, Joyce Herrin, Marina Tapia, Individually

of Los Angeles, CA, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Senior Vice President and their corporate seals to be hereto affixed on this 27th day of August, 2009.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Jacquelyne M. Belcastro Senior Vice President

State of Illinois, County of Cook, ss:

On this 27th day of August, 2009, before me personally came Jacquelyne M. Belcastro to me known, who, being by me duly sworn, did depose and say: that she resides in the City of Chicago, State of Illinois; that she is a Senior Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that she knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that she signed her name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.



My Commission Expires September 17, 2013

Eliza Price Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance companies printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 11th day of November, 2010.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis Assistant Secretary

*

EXHIBIT “B”

Bonding Agreement Surety Bond

(Federal Coal)

Surety Bond Number _____

EXHIBIT "B"
SURETY BOND
(FEDERAL COAL)
C/015/025

This **SURETY BOND** entered into and by and between the undersigned **PERMITTEE/PRINCIPAL CASTLE VALLEY MINING LLC**, and **SURETY Continental Casualty Company**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of 1,830,000 dollars (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Bonded Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the 2nd day of December, 2010 by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/PRINCIPAL** during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number _____
Mine Name/Number Castle Valley Mines C/015/025

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 15th day of November, 2010.



PERMITTEE/PRINCIPAL

By: Corey Heaps
Title: Vice President

IN WITNESS WHEREOF, the **SURETY** has hereunto set its signature and seal this 11th day of November, 2010.

Continental Casualty Company

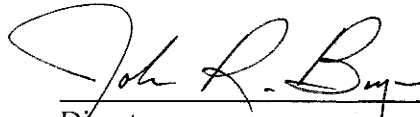
SURETY

By: 

Edward C. Spector, Attorney In Fact

Title: _____

SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:



Director
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent/or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

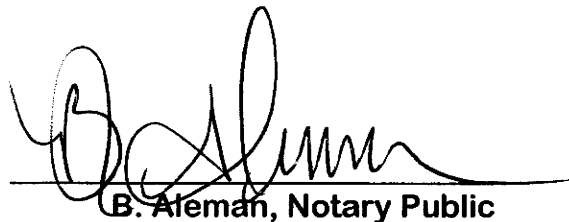
On 11/11/10 before me, B. Aleman, Notary Public, personally appeared Edward C. Spector who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

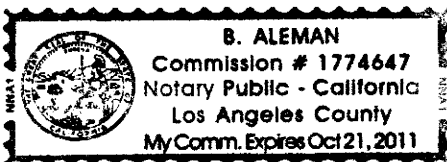
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature


B. Aleman, Notary Public





CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
12/01/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Insurance Services West, Inc. Fresno CA Office 5260 North Palm Avenue Suite 400 Fresno CA 93704 USA	CONTACT NAME:		
	PHONE (A/C. No. Ext): (559) 449-7200	FAX (A/C. No.): (559) 439-0863	
E-MAIL ADDRESS:			
PRODUCER CUSTOMER ID #: 570000031836			
INSURED Castle Valley Mining LLC P.O. Box 1169 Pikeville KY 41502 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Illinois Union Insurance Company		27960
	INSURER B: National Union Fire Ins Co of Pittsburgh		19445
	INSURER C: Lexington Insurance Company		19437
	INSURER D:		
	INSURER E:		
INSURER F:			

Holder Identifier :

COVERAGES **CERTIFICATE NUMBER: 570040930577** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	GENERAL LIABILITY		General Liability	12/01/2010	06/01/2012	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$1,000,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person)	\$10,000
	<input checked="" type="checkbox"/> Blasting					PERSONAL & ADV INJURY	\$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE	\$2,000,000
	POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG	\$2,000,000
B	AUTOMOBILE LIABILITY		BUSINESS AUTO	12/01/2010	06/01/2012	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person)	
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident)	
	<input type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident)	
	<input checked="" type="checkbox"/> HIRED AUTOS						
	<input checked="" type="checkbox"/> NON OWNED AUTOS						
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		Umbrella (\$4M)	12/01/2010	06/01/2012	EACH OCCURRENCE	\$4,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		SIR applies per policy terms & conditions			AGGREGATE	\$4,000,000
	DEDUCTIBLE						
	<input checked="" type="checkbox"/> RETENTION						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N/A				OTH-ER	
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. EACH ACCIDENT	
						E.L. DISEASE-EA EMPLOYEE	
						E.L. DISEASE-POLICY LIMIT	
A	Pollutn/Env Imp		Pollution	06/01/2010	06/01/2012	Aggregate Limit	\$1,000,000
						Per Claim Limit	\$1,000,000
						SIR/Deductible	\$25,000

Certificate No : 570040930577

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Castle valley Mine, Permit C/015/025

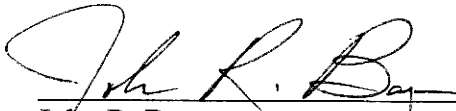
CERTIFICATE HOLDER**CANCELLATION**

Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City UT 84114-5801 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Insurance Services West Inc</i>

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AFFIDAVIT OF QUALIFICATION
DIRECTOR
--ooOOoo--

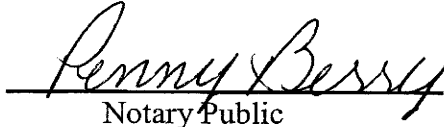
John R. Baza, being first duly sworn under oath, deposes and says that he is the Director for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Director is authorized to execute the same by authority of laws on behalf of the State of Utah.



John R. Baza
Director, Division of Oil, Gas and Mining

STATE OF Utah)
COUNTY OF Salt Lake) ss:

Subscribed and sworn to before me this 14 day of December 2010.


Notary Public

My Commission Expires:

1/11/, 2011.

